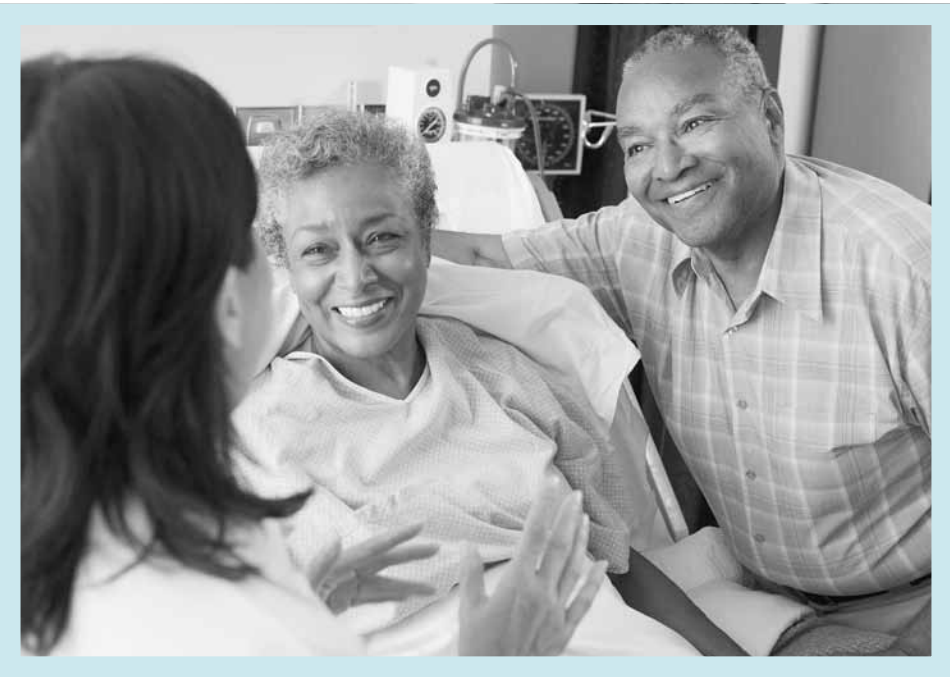


EARLY RETIREE REINSURANCE PROGRAM

The Commonwealth of Virginia health benefits program is certified as a participant in the Early Retiree Reinsurance Program (ERRP). The federal ERRP was established under health care reform. It reimburses employer health plans for some of the health care costs paid by or on behalf of non-Medicare eligible retirees and certain family members who participate in these plans.

As your employer, the Commonwealth will use the ERRP reimbursement to reduce its health care cost trend each year. This trend, or the rate of growth in expenses, is used to set premiums for state health plans.

See the Early Retiree Reinsurance Program (ERRP) notice on page 6.



NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants’ premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan.



Commonwealth of Virginia Health Benefits Program

For more information on health reform changes, please see your plan member handbook.

NATIONAL HEALTH CARE REFORM AND YOU

JULY 1, 2011

The national Patient Protection and Affordable Care Act, better known as national health care reform, was enacted in 2010. Several key parts of health reform will affect you as a state employee and your eligible family members. This special insert covers the changes and how they will impact you.

DEPENDENTS MAY BE COVERED UP TO AGE 26

You may cover eligible dependent children up to the end of the year in which they turn age 26. Many of the previous rules on dependent eligibility no longer apply.

Natural and Adopted Children, Stepchildren, Children Placed for Adoption	
Current Dependent Eligibility	Starting July 1, 2011
<ul style="list-style-type: none">• Must be unmarried.	<ul style="list-style-type: none">• May be married.
<ul style="list-style-type: none">• Must reside full-time with the employee or be away at school. In cases where the natural or adoptive parents are living apart, the child may live with the other parent.	<ul style="list-style-type: none">• May or may not reside full-time with the employee or other natural or adoptive parents.• May or may not be away at school.
<ul style="list-style-type: none">• Employee must provide more than half of dependent’s financial support.	<ul style="list-style-type: none">• Employee’s financial support no longer required.
<ul style="list-style-type: none">• Covered through the end of the year in which they turn age 23, if the above conditions are met.	<ul style="list-style-type: none">• Covered through the end of the year in which they turn age 26.
Other Children	
Current Dependent Eligibility	Starting July 1, 2011
<ul style="list-style-type: none">• Unmarried children in the court-ordered sole, permanent custody of the employee covered through the end of the year in which they turn age 23.• Custody must be awarded prior to the child’s 18th birthday.	<ul style="list-style-type: none">• Unmarried children in the court-ordered sole, permanent custody of the employee may be covered through the end of the year in which they turn 26 if they reside full-time with the employee and the employee provides more than half of the dependent’s support.• Custody must be awarded prior to the child’s 18th birthday.

[continued on next page]

Incapacitated Dependents	
Current Dependent Eligibility	Starting July 1, 2011
<ul style="list-style-type: none">Incapacitated dependents ages 23 and older may be covered if they are unmarried, reside full-time with the employee (or the other natural/adoptive parent) and the employee provides more than half of the dependent's support.	<ul style="list-style-type: none">Incapacitated dependents ages 26 and older may be covered if they are unmarried, reside full-time with the employee (or the other natural/adoptive parent) and the employee provides more than half of the dependent's support.

For additional information on the new eligibility rules, visit the DHRM Web site at www.dhrm.virginia.gov.

You must submit an election during Open Enrollment to add an eligible child to your health coverage effective July 1, even if the child is now enrolled in Extended Coverage (COBRA).

If you do not take action, the child enrolled in COBRA will continue to be covered at the full COBRA premium for up to 36 months. Children who have been on COBRA and are now age 26 may be added to employee coverage until the end of 2011. COBRA will be offered again at that time.

If you have questions about eligibility, contact your Benefits Administrator.

LIMIT CHANGES FOR CHIROPRACTIC SERVICES

Health reform eliminated annual dollar limits, so the previous \$500 limit has been removed. Your chiropractic benefit instead will cover up to 30 visits per plan year.

RULES CHANGE FOR APPEALS AND CLAIMS

Starting July 1, health care reform is expected to bring changes to the medical appeals process. Final regulations are pending. The program anticipates:

- External review by an independent review organization will be expanded to cover additional areas. These include adverse decisions related to: determinations that a requested service is experimental or investigational; requirements for medical necessity, appropriateness, health care setting, level of care, or effectiveness of a covered benefit.
- Under certain conditions, a member will not be required to complete the plan administrator's appeal process before appealing directly to DHRM.
- Removal of the \$300 claims minimum for filing an appeal.
- A 72-hour maximum for decisions on expedited appeals.

More information will be coming. Look for details by July in your plan member handbook.

YOUR STATE HEALTH PLAN PAYS 100 PERCENT FOR WELLNESS AND PREVENTIVE CARE!

Annual wellness check-ups, mammograms, prostate exams, colonoscopy...These are some of the wellness and preventive care services you have been receiving all along at no extra cost to you.

Your state health plans already cover most of the screenings, tests, counseling and vaccines that national health reform requires. Several services have been added: aortic aneurysm screening, genetic testing and counseling on breast and ovarian cancer, and screening and counseling on breastfeeding, tobacco use and diseases caused by tobacco use.

An annual wellness check-up and the preventive services below are free to all members!

CHILDREN – THROUGH AGE 6

Screenings, tests and counseling	Vaccines
Anemia screening Behavioral counseling to promote a healthy diet Cholesterol and lipid level screening Development and behavior tests Hearing screening Newborn screenings Obesity screening and counseling Oral health screening Screening for depression Screening for lead exposure Screening for sexually transmitted infections Tuberculosis screening Vision screening	Diphtheria, tetanus, pertussis Hepatitis A Hepatitis B Influenza (flu) Hemophilus (HIB) Measles, mumps, rubella (MMR) Meningococcal polysaccharide (meningitis) Pneumococcal conjugate (pneumonia) Polio Rotavirus Varicella (chicken pox)



ADULTS AND CHILDREN – AGE 7 AND OLDER

Screenings, tests and counseling	Vaccines
Aortic aneurysm screening Behavioral counseling to promote a healthy diet Bone density test to screen for osteoporosis Cholesterol and lipid level screening Colorectal cancer screenings Diabetes screening Genetic testing and counseling on breast and ovarian cancer Gynecological exam Hearing screening Mammography screening Obesity screening and counseling Pelvic exam and Pap test Pregnancy screenings Prostate exam (digital rectal exam) Prostate Specific Antigen Test (PSA) Screening and counseling on: <ul style="list-style-type: none">BreastfeedingTobacco use and diseases caused by tobacco use Screening for HIV Screening for sexually transmitted infections Vision eye chart test	Diphtheria, tetanus and pertussis Hepatitis A Hepatitis B Herpes Zoster (shingles) Human papillomavirus (HPV) Influenza (flu) Measles, mumps, rubella (MMR) Meningococcal polysaccharide (meningitis) Pneumococcal conjugate (pneumonia) Varicella (chicken pox)

These lists are subject to change based on health reform. For more information on your routine wellness and preventive care coverage, please see your plan member handbook.